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TO: Marylin E. Atkins, Chief Judge
36th District Court

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 5, 2006

RE: 2006-2007 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2006-2007 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Roger Short, Interim Chief Financial Officer
Pamela Scales, Budget Department Director
June Ellis, Budget Department Team Leader
Thomas D. Clark, Court Controller-36th District Court
Kandia Milton, Mayor's Office

36th District Court (60)

FY 2006-2007 Budget Analysis by the Fiscal Analysis Division

Summary

The 36th District Court is a Judicial General Fund Agency. The Mayor's 2006-2007 Proposed Budget includes \$42.5 million in appropriations for this Department. This amount reflects a decrease of \$458,590 or 1.1% from the 2005-2006 Budget of \$43.0 million.

The Mayor's 2006-2007 Proposed Budget also includes \$24.2 million in revenue, which is \$802,298 greater than the 2005-2006 budgeted amount of \$23.4 million. The net tax cost to the City is budgeted at \$18.3 million for the fiscal year 2006-2007, which is \$1.3 million lower than the current fiscal year.

The proposed budget includes a decrease of five positions for the 36th District Court.

2005-2006 Surplus (Deficit)

The estimated deficit for the 36th District Court in fiscal year 2005-2006 is \$5.3 million. This deficit is attributable to salaries higher than the budgeted amount and lower collection of revenues.

Overtime

Salary overtime is budgeted at \$225,000 in the Mayor's 2006-2007 Proposed Budget, which is the equal to the overtime budgeted in fiscal year 2005-2006. As of March 31, 2006, the department has expended \$133,524 on overtime with a remaining balance of \$91,476 for fiscal year 2005-2006.

Personnel and Turnover Savings

There are no projected personnel or turnover savings for fiscal year 2006-2007 in the 36th District Court.

Following is information by appropriation comparing budgeted FY 2005-06 positions, March 31, 2006 filled positions and FY 2006-07 recommended positions.

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2004-05</u>	<u>Filled Positions 3/31/2005</u>	<u>Mayor's Budget Positions FY 2005-06</u>	<u>Over/(Under) Actual to 0405 Budget</u>	<u>Mayor's Recommended Turnover</u>
36th District Court (60):					
00393 District Court	31	31	31	0	\$ -
600015 Civil	0	0	0	0	\$ -
600020 Traffic	0	0	0	0	\$ -
600025 Docket Control	0	0	0	0	\$ -
600033 Probation	0	0	0	0	\$ -
600045 Information Services	0	0	0	0	\$ -
600055 Real Estate	0	0	0	0	\$ -

<u>Appropriation/Program</u>	<u>Budgeted Positions</u> <u>FY 2004-05</u>	<u>Filled Positions</u> <u>3/31/2005</u>	<u>Mayor's Budget Positions</u> <u>FY 2005-06</u>	<u>Over/(Under) Actual to</u> <u>0405 Budget</u>	<u>Mayor's Recommended Turnover</u>
600065 Criminal	0	0	0	0	\$ -
600070 Chief Judge	0	0	0	0	\$ -
600075 Personnel	0	0	0	0	\$ -
600080 Judicial Assistant	0	0	0	0	\$ -
600085 Procurement	0	0	0	0	\$ -
600090 Fiscal Services	0	0	0	0	\$ -
600095 Central Records	0	0	0	0	\$ -
600100 Court Administration	0	0	0	0	\$ -
600105 Employee Relations	0	0	0	0	\$ -
05715 State Transferred Functions	366	0	361	(366)	\$ -
60XXXX Worker's Comp.	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>\$ -</u>
TOTAL	<u>397</u>	<u>31</u>	<u>392</u>	<u>(366)</u>	<u>\$ -</u>

Proposed Layoffs and Vacant Position Reductions

The Mayor's 2006-2007 Proposed Budget includes a total decrease of 5 positions. These position changes are detailed below.

<u>Cost Center</u>	<u>Appropriation/Cost Center Name</u>	<u>Title</u>	<u>Transfers</u>	<u>Layoffs</u>	<u>Total Positions</u>
600014	District Court Operations	Detroit Judicial Council Staff	0	5	5
TOTAL			0	5	5

Significant Funding by Appropriation

<u>Appro.</u>	<u>Program</u>	
00393	District Court	This appropriation decreased \$3.7 million primarily due to a \$2.3 million decrease in Security Contract Services, and a \$1.6 million decrease in Building Operating Expense. Both Security Services and Building Operations will be transferred to the General Services Department in the Mayor's 2006-2007 Proposed Budget. The proposed budget increases Employee Fringe Benefits \$219,094.
00663	36 th District Security Reimbursement	This appropriation decrease of \$587,781 is due to reduced costs for the Detroit Police security services provided to the Court.
11194	Drug Court	An increase in contract services of \$375,000 has been included in the Mayor's 2006-2007 Proposed Budget.
05715	State Transferred	This appropriation increased \$3.4 million due to increases

Function Operations in wages, pension, and fringe benefits for staff formerly funded by the State but now funded by the City.

36th District Court of Detroit (60)

Budgeted Professional and Contractual Services by Activity	FY 2005-06 Budget	FY 2006-07 Recommended	Increase (Decrease)
District Court	\$ 3,553,727	\$ 1,611,050	\$ (1,942,677)
State Transferred Functions	241,470	241,470	-
Total	\$ 3,795,197	\$ 1,852,520	\$ (1,942,677)

Significant Revenue Changes by Appropriation

Appro. Program

00393	District Court	A \$32,547 increase in other shared taxes has been included in the Mayor's 2006-2007 Proposed Budget.
05715	State Transferred Functions	This increase of \$769,751 is due to increases of \$500,000 in other fees, \$19,751 in personal services, and \$250,000 in Ordinance Fines – Traffic.

Issues and Questions

1. How will 36th District Court implement the new Interactive Voice Response (IVR) System? Are performance measures in place to monitor the progress and effectiveness of this system?
2. Once the new system is 100% functional, do you foresee additional layoffs?
3. How will the functions of District Court Operations be managed with less judicial council staff available for the fiscal year 2006-2007?
4. Will the Court need to implement four-day workweeks to operate within the proposed budget?
5. What impact will the budget have on operations, specifically available courts days?
6. Explain the \$3.4 million increase in the State Transferred Functions Operations – Appropriation 05715. Is this new staff the City is responsible for? Is the City now responsible for a 100% of the salaries of the state transferred employees?

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